

2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION

Bill Number HB278 1st Substitute

TITLE OF BILL: CHARTER SCHOOL FUNDING AMENDMENTS by Rep. Ron Bigelow

Requested by: Patrick Lee

Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst
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Salt Lake City, UT 84114-5310
538-1034 / Fax 538-1692

Name: Patrick Lee

Date: February 19, 2008

Fax Number: _____

Please return to Fiscal Analyst by: February 19, 2008

This Bill Takes Effect: ☐ On passage

☒ On July 1

☐ 60 Days after session

☐ Other _____

Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
A. REVENUE IMPACT BY SOURCE OF FUNDS			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
7. TOTAL	\$ -	\$ -	\$ -

B. EXPENDITURE IMPACT:

By Source of Funds			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund		(\$3,729,151)	(\$7,458,302)
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
7. TOTAL	\$ -	\$ (3,729,200)	\$ (7,458,300)
By Expenditure Category			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify)		(\$3,729,151)	(\$7,458,302)
8. TOTAL	\$ -	\$ (3,729,200)	\$ (7,458,300)

C. IMPACT IN FUTURE YEARS?

If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)

Cathy Dudley

Prepared By

MSP Budget and Property Tax Specialist - USOE

Title

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Phone #

February 19, 2008

Date

D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

*Lines 91-124 will generate a workload increase for the Utah State Office of Education to determine that amounts
Lines 158-172 will generate a workload increase in determining the allocation a school district should contribute.*

E. Expenditure Impact Details (Ties to totals in Section C)

*List and document methodology and/or assumptions used in determining need for workload and cost increase.
List number, type, and step ranges of personnel required, including benefits.
List details of other impacted expenditure categories as shown in Section C.
List additional space requirements and cost associated with requirements of this bill.
(USE ATTACHMENTS IF NECESSARY.)*

Based on the language of the bill, there would need to be an appropriation of \$987,630 in FY08 -09 and \$1,212,630 in FY09-10 to cover support services to charter schools from the Charter School Board as specified in the bill. The bill states that money will be appropriated at \$30 a charter school student based on October 1 counts. There are 32,921 students approved for the FY08-09 school year with an additional 7,500 students eligible in following years.

Based on FY08-09 numbers, the proposed local replacement allocation would have to be approximately \$46,978,267 (32,921 X \$1,427). Based on the attached spreadsheet and using known ADM and fall enrollment numbers from FY06 -07, the formula in the bill would save the state approximately \$3,729,151 in FY08 -09. For FY09-10, the savings for the state would be approximately \$7,458,302, again based on known FY07 numbers. These numbers will change as the property tax revenues change and the number of charter school students increase.

The amount "contributed" by the school district would be 25% in FY08 -09, 50% in FY09-10, 75% in FY10-11, and 100% in FY11-12. If the formula does not generate \$1,427 per student, the state will provide an additional supplement so that a charter school receives at least \$1,427 per student.

The new formula for distribution will have to be calculated each year from the school districts actual tax revenue collected. This data would be collected from the school districts Annual Financial Report which is due on October 1 of the following school year. It should be mentioned either in the bill or a rule what year those revenues come from.

F. No Fiscal Impact or Will Not Require Additional Appropriations?

*Specify why this bill will have no fiscal impact on your agency or institution.
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations.
(USE ATTACHMENTS IF NECESSARY.)*

G. If Bill Carries Its Own Appropriation:

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.
Are there future additional costs anticipated beyond the appropriation in the bill? **N/A***

H. Impact on Local Governments, Businesses, Associations, and Individuals

*Specify requirements in the bill that drive the impact on local governments.
Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local Governments:

Some school districts may see a reduction in their Minimum School Program allocations the State Board of Education deducts an amount equal to the allocation provided by the school district from their property tax revenues. Total funding received by a charter school may increase or decrease based on the new formula and current local replacement dollars distributions.

Businesses and Associations:

Individuals: